



General Assembly

**Substitute Bill No. 5257**

February Session, 2014



**AN ACT CONCERNING HOSPITAL EMPLOYEES AND HOSPITAL CONVERSIONS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) (a) As used in this section  
2       and section 2 of this act:

3       (1) "Affected community" means the city or town in which a  
4       hospital is located and the cities or towns whose inhabitants are  
5       regularly served by the hospital;

6       (2) "Conversion" means any transfer by a person or persons of the  
7       assets or operation of a nonprofit hospital to a person or persons that is  
8       organized or operated for profit, and any transfer by a person or  
9       persons of the assets or operation of a for-profit hospital to a person or  
10      persons that is organized or operated as a nonprofit, that results in (A)  
11      a change in the ownership, control or possession of not less than  
12      twenty per cent of (i) the voting rights or interests in the hospital, or  
13      (ii) the assets of the hospital; (B) a person previously unaffiliated with  
14      the hospital possessing not less than ten per cent of (i) the voting rights  
15      or interests in the hospital, or (ii) the assets of the hospital; or (C) the  
16      removal, addition or substitution of a person holding an ownership or  
17      membership interest in the hospital that results in a previously  
18      unaffiliated person gaining or acquiring a controlling interest or

19 controlling vote in the hospital;

20 (3) "Person" means any individual, trust or estate, firm, partnership,  
21 corporation, limited liability company or other entity, including the  
22 state and any political subdivision thereof; and

23 (4) "Transfer" has the same meaning as provided in section 19a-486  
24 of the general statutes.

25 (b) Prior to undergoing a conversion, the hospital and the person or  
26 persons seeking the assets or operation or a change in control of  
27 operations of such hospital shall enter into a written memorandum of  
28 understanding to preserve community benefits in the affected  
29 community. The memorandum of understanding shall require the  
30 person or persons seeking the assets or operation or a change in  
31 control of operations of such hospital to: (1) Maintain the current rates  
32 of pay and current benefits of all employees employed at such hospital  
33 at the time of conversion; (2) recognize any labor organizations  
34 representing employees employed at such hospital at the time of  
35 conversion; (3) honor any collective bargaining agreements entered  
36 into between a labor organization and such hospital; (4) maintain  
37 staffing levels at the time of conversion for (A) in the case of a  
38 nonprofit hospital, not less than three years following the date the  
39 Attorney General and Commissioner of Public Health have approved  
40 the conversion pursuant to section 19a-486b of the general statutes, or  
41 (B) in the case of a for-profit hospital, not less than three years  
42 following the consummation of the conversion; and (5) follow best  
43 practices for staffing levels to assure patient care and safety.

44 (c) Prior to undergoing a conversion, the city or town in which such  
45 hospital is located shall hold not less than three public hearings. The  
46 public hearings shall be open to all members of the public in the  
47 affected community and shall include, but not be limited to: (1) A  
48 discussion of the conversion and the person or persons seeking the  
49 assets or operation or a change in control of operations of such  
50 hospital; (2) a summary of the potential impact of the proposed

51 conversion on employment at such hospital; and (3) an opportunity to  
 52 question representatives of such hospital and the person or persons  
 53 seeking the assets or operation or a change in control of operations of  
 54 such hospital about any relevant concerns. Not less than fourteen days  
 55 prior to each hearing, notice of the time and place of the hearing shall  
 56 be publicized in one or more newspapers of general circulation in the  
 57 affected community. Each public hearing shall take place (A) in the  
 58 case of a nonprofit hospital, at least sixty days before a certificate of  
 59 need application is filed with the Department of Public Health  
 60 pursuant to section 19a-486a of the general statutes, or (B) in the case of  
 61 a for-profit hospital, at least sixty days prior to the consummation of  
 62 the conversion.

63       Sec. 2. (NEW) (*Effective from passage*) Not later than thirty days after  
 64 undergoing a conversion, the person or persons having acquired  
 65 possession of the assets or operation of the hospital shall submit a five-  
 66 year strategic plan to the Department of Public Health and the Labor  
 67 Department detailing how employment may be affected by decisions  
 68 to grow or reduce health care services at the hospital.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

**APP**       *Joint Favorable Subst.*